Insilco Limited

(CIN: L34102UP1988PLC010141)
Registered Office:A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula -244223, Uttar Pradesh Tel: 09837923893/09837823893
Corporate office: "The Corenthum ", Office # 2312, 3rd Floor, 2nd Lobe, Tower A, A-41, Sector 62, Noida 201309, Uttar Pradesh Tel: 0120 4307910 /11/12

POSTAL BALLOT NOTICE

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To

The members of INSILCO Limited,

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 (the "**Companies Act**") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "**Postal Ballot Rules**") and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "**SEBI Delisting Regulations**"), as amended, to the equity shareholders (the "**Shareholders**") of INSILCO Limited (the "**Company**"), to consider and if thought fit, pass the resolution noted herein below as a 'Special Resolution' by way of a postal ballot (the "**Delisting Resolution**").

Delisting of the equity shares of the Company (the "Shares") from BSE Limited (the "BSE").

To consider and if thought fit, to pass with or without modification, the following resolution as a "**Special Resolution**" by way of a postal ballot:

"**RESOLVED THAT** subject to the provisions of the Companies Act, the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, (the "**SEBI Delisting Regulations**"), the receipt of the necessary approvals from BSE, and such other approvals as may be required under applicable laws and subject to the conditions and modifications, as may be prescribed or imposed while granting such approvals, as approved by the board of directors of the Company (the "**Board**", which term shall be deemed to include any committee which the Board may have constituted or may hereafter constitute exercising the powers conferred on the Board by this resolution) the voluntary delisting of the equity shares of the Company from BSE pursuant to the proposed acquisition of equity shares held by the public shareholders of the Company by Evonik Degussa GMBH, a company incorporated under the laws of Germany (the "**Acquirer**") in accordance with the terms of the SEBI Delisting Regulations (the "**Proposed Delisting**"), be and is hereby approved and the Company shall accordingly take all necessary actions and make all necessary filings to facilitate the Proposed Delisting in accordance with applicable laws; and

RESOLVED FURTHER THAT Committee of Directors consisting of the following members viz. Mr. Frank Lelek, Mr. Dara Phirozeshaw Mehta, Mr. Pankaj Khandelwal, Mr. Brijesh Arora ("**Delisting Committee**"), be and are hereby severally authorized, on behalf of the Company, either themselves or through delegation to any person, to take all steps as may be necessary to implement or give effect to the Proposed Delisting, and to do all such acts, deeds, matters and things as may be required in this regard including but not limited to submitting applications to BSE for seeking the in-principle and final approval for the Proposed Delisting, and are hereby further authorized on behalf of the Company to settle any questions, difficulties or doubts that may arise in this behalf or delegate the aforesaid authority to any person, as they may in their absolute discretion deem fit."

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it to any committee of the directors or any director(s) or officer of the Company to give effect to the aforesaid resolution.

Date : December 11, 2014
Place: Noida

Notes:

1. A copy of this notice has been placed on the website of the Company and shall remain on the website until the last date for receipt of the postal ballots from the shareholders.

2. An explanatory statement pursuant to Section 102 of the Companies Act and Rule 22 of the Companies (Management and Administration) Rules, 2014, ("**Postal Ballot Rules**"), setting out all material facts in respect of the business set in this notice and reasons thereto is annexed hereto as Annexure – A (the "**Explanatory Statement**").

3. In accordance with Regulation 8(1) (b) of the SEBI Delisting Regulations read with Section 110 of the Companies Act read with the Postal Ballot Rules, the item of business set out in the above notice is sought to be passed through postal ballot.

4. The notice is being sent to all the members of the Company, whose names appear on the register of members/ record of depositories as on Friday, November 28, 2014.

5. The Committee of Directors consisting of the following members viz. Mr. Frank Lelek, Mr. Dara Phirozeshaw Mehta, Mr. Pankaj Khandelwal, Mr. Brijesh Arora (**"Delisting Committee"**) has at its meeting held on December 11, 2014 appointed Nityanand Singh & Co as the 'Scrutinizer' for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner (the **"Scrutinizer"**). The Scrutinizer's address is Nityanand Singh & Co., Company Secretaries, 14, 2nd Floor, Arjun Nagar, Safdarjang Enclave, New Delhi-110029.

6. The Shareholders are requested to carefully read the instructions printed at the end of the Notice and either: (a) return the form duly completed in the attached self-addressed pre-paid postage envelope (the "**Envelope**"); or (b) vote by electronic means in the manner set out herein, in each case, so as to ensure that votes reach the Scrutinizer on or before the January 21, 2015.

7. The date of dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through advertisement in the following newspapers: (i) at least one vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and (ii) at least one English newspaper in English language having a wide circulation in that district.

8. The Shareholders are requested to exercise their voting right by either using the attached postal ballot form (no other form or photocopy of the postal ballot form is permitted) or through e-voting.

9. Only a Shareholder who is entitled to vote is entitled to exercise his / her vote through the postal ballot form or through e-voting. Voting rights of every Shareholder shall be reckoned on the paid-up value of Shares on the basis of names appearing in the 'Register of Members' or in the records of the depositories, as applicable, as on Friday, November 28, 2014, and any recipient of the Postal Ballot Notice whose name does not appear as a Shareholder in relation to the Shares as on the aforesaid date should treat the same as intimation only.

10. The Scrutinizer will submit his report to the Delisting Committee after completion of scrutiny of postal ballot forms received on January, 22, 2015.

11. The result of voting by postal ballot will be announced at 04:00 p.m. IST on January 22, 2015 at the registered office of the Company. Additionally, the result will be posted on Company's website: http://www.insilcoindia.com and will be communicated to BSE. The date of declaration of the result of the postal ballot voting process will be taken to be the date of passing of the special resolution.

12. Shareholders may seek a duplicate form from the Registrar to the Company: MCS Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi -110020, Telephone Number: 011-4140 6149, fill in the details and send the same to the Scrutinizer.

13. Please note that any postal ballot form(s) received after the last date (i.e. January 21, 2015) will be treated as not having been received and after the last date, the portal where

e-votes can be cast will be blocked.

14. If you have any queries, please refer to Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the 'downloads' section of www.evotingindia.com

The Delisting Resolution shall be declared as passed if the number of votes cast in favour of the Delisting Resolution is not less than three times the number of votes cast against the Delisting Resolution, provided that, the Delisting Resolution shall be acted upon only if the votes cast by public shareholders (as defined in the SEBI Delisting Regulations) (the "**Public Shareholders**") in favour of the Delisting Resolution amount to at least two times the votes cast by Public Shareholders against the Delisting Resolution.

ANNEXURE - A

EXPLANATORY STATEMENT REQUIRED BY SECTION 102 OF THE COMPANIES ACT RELATING TO THE AFORESAID SPECIAL RESOLUTION

Delisting of the Shares of the Company from BSE Limited.

The Shares of the Company are currently listed on BSE Limited.

The Company has received a proposal through a letter dated November 12, 2014 from Evonik Degussa GMBH, a company incorporated under the laws of Germany (the "**Acquirer**"), and such proposal from the Acquirer (the "**Expression of Interest**"), expressing its intention to provide an exit opportunity to the Public Shareholders of the Company in accordance with the SEBI Delisting Regulations in order to voluntarily delist the Company's Shares from BSE Limited (the "**Delisting Proposal**").

The Acquirer is a part of the Promoter / Promoter Group of the Company. As on date, the promoter/ promoter group (the "**Promoter Group**") collectively hold 4,58,53,315 Shares of the Company representing 73.11% of the issued and paid-up equity share capital of the Company.

In the Expression of Interest, the Acquirer has specified that it intends to delist the Company since it believes that obtaining full ownership of the Company will provide it with increased operational flexibility.

Accordingly, the Acquirer (being the Promoter of the Company) proposes to acquire all the Shares of the Company held by the Company's public shareholders in accordance with the Delisting Regulations and to voluntarily delist the Shares of the Company from BSE Limited in accordance with the Delisting Regulations.

The Delisting Proposal, if successful, would result in a scenario where the Company is not subject to the conditions for continuous listing, *inter alia*, to maintain a minimum public shareholding of 25% pursuant to the Securities Contracts (Regulation) Rules, 1957 as amended.

As per the SEBI Delisting Regulations, a company may voluntarily delist its equity shares from the stock exchanges where they are listed if the acquirers provide an exit opportunity to the public shareholders of the company in accordance with the requirements of the SEBI Delisting Regulations. In this regard, the SEBI Delisting Regulations require the acquirers to (i) make a public announcement of the delisting offer which contains information specified in the SEBI Delisting Regulations and (ii) the acquirer at its sole discretion accept, to acquire the equity shares of the public shareholders at either (a) the discovered price determined in accordance with the reverse book building process specified in the SEBI Delisting Regulations or (b) an exit price, which is higher than such discovered price.

The Acquirer has the right not to proceed with the Delisting Proposal and the Delisting Proposal is conditional upon:

- the Acquirer, at its sole discretion, accepting the price determined in accordance with the SEBI Delisting Regulations (being the price at which the maximum number of shares are tendered pursuant to the reverse book-building process) (the "**Discovered Price**"). The Discovered Price shall not be lower than the floor price determined

in accordance with Regulation 15(2)(a) of the SEBI Delisting Regulations (the "**Floor Price**"), which would be the higher of the average of the weekly high and low of the closing prices of the Shares during (a) the twenty-six weeks; and (b) the two weeks preceding November 12, 2014, in each case as quoted on BSE. However, the Acquirer may, at its discretion, fix a price higher than the Discovered Price (the "**Exit Price**"). The Floor Price, determined in accordance with Regulation 15(2)(a) of the SEBI Delisting Regulations, is Rs. 19.39 per Equity Share. The Public Shareholders may tender their respective Shares at any price equal to or above the Floor Price in the reverse book-building process;

- the number of Shares tendered by the Public Shareholders at or below the Discovered Price or the Exit Price (as the case may be) being sufficient to make the Delisting Proposal successful under the SEBI Delisting Regulations. Under the SEBI Delisting Regulations, the Delisting Proposal would be successful only if the collective shareholding of the Acquirer along with the holding of persons acting in concert and the tendered Shares accepted through eligible bids at the Discovered Price/ Exit Price pursuant to the Delisting Proposal is equal to or greater than ninety percent (90%) of the total issued equity share capital of the Company (excluding the shares which are held by a custodian and against which depository receipts have been issued overseas);
- receipt of all regulatory approvals as may be required for the Delisting Proposal under applicable laws; and
- such other terms and conditions as may be set out in the 'Public Announcement' or the 'Letter of Offer' to be despatched to the Public Shareholders.

The Delisting Resolution is required to be passed by way of a 'Special Resolution' through a postal ballot and e-voting in accordance with the provisions of Section 108 and 110 of the Companies Act, Clause 35B of the equity listing agreement entered into by the Company with the stock exchanges and the Postal Ballot Rules. According to Regulation 8(1)(b) of the SEBI Delisting Regulations, the Delisting Resolution may be acted upon only if the votes cast by the Public Shareholders in favour of the Delisting Resolution are at least two times the number of votes cast by the Public Shareholders against the Delisting Resolution.

After receiving the Expression of Interest, the Board at its meeting held on November 13, 2014, has agreed to recommend the Delisting Resolution for approving the Delisting Proposal.

Accordingly, approval for the Delisting Resolution is sought from the Shareholders, and upon receipt of such approval, the Acquirer will proceed, at its discretion, to make an offer to the Public Shareholders of the Company and purchase the Shares at the Discovered Price/ Exit Price, in accordance with the provisions of the SEBI Delisting Regulations.

The Board recommends the Delisting Resolution for your consideration and approval of members of the Company.

A copy of the Acquirer's Expression of Interest will be available for inspection by the shareholders during business hours on all working days (except Saturday, Sunday and holidays) at the registered office of the Company between 11 a.m. and 1 p.m. from the date of this Postal Ballot Notice to the date of declaration of the results of postal ballot.

Registered Office:
A-5, UPSIDC Industrial Estate,
Bhartiagram, Gajraula -244223,
Uttar Pradesh

By the order of the Board
Mr. Brijesh Arora
CFO

Place : Noida
Date : December 11, 2014

Enclosed:
1. Postal Ballot Form
2. Self-addressed and prepaid postage envelope

INSTRUCTIONS

1. Shareholders have an option to vote either through physical mode by submitting the Postal Ballot Form or through e-voting.
2. A Shareholder entitled to vote and desirous of exercising his/ her vote by a postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer appointed by the Board in the accompanying prepaid postage Envelope. However, any Envelope containing a Postal Ballot Form, if deposited in person or sent by courier at the expense of such Shareholder, will also be accepted. It is however clarified that Shareholders desiring to exercise their vote from outside India will have to arrange for postage from the country where the Postal Ballot Form is dispatched to the Scrutinizer.
3. A Shareholder may convey his/ her/ its assent/ dissent in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid. The consent of the Shareholder must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (√) in the appropriate column. Assent or dissent received in any other manner will not be considered valid.
4. The Envelope bears the name of the Scrutinizer. The duly completed Postal Ballot Forms should reach the Scrutinizer before 5:00 PM on January 21, 2015. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such member, has not been received.
5. The vote shall not be exercised by a proxy. The Postal Ballot Form must be completed and signed by the Shareholder. In case of joint-holding, the Postal Ballot Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his absence, by the next named Shareholder.
6. Unsigned, incomplete, defaced, overwritten, torn, improperly or incorrectly ticked Postal Ballot Forms, or signed Postal Ballot Forms where the Member's signature does not tally will be rejected.
7. Where the postal ballot form has been signed by an authorized representative of a body corporate, trust or society, a certified true copy of the resolution of its board of directors authorizing such representative to vote on the resolution on behalf of the body corporate, trust or society should accompany the Postal Ballot Form. If the Postal Ballot Form is signed by a power of attorney holder for and on behalf of the Shareholder, it must be accompanied by an attested true copy of such power of attorney.
8. Shareholders are requested not to send any extraneous paper along with the Postal Ballot Form in the enclosed Envelope. All Envelopes will be sent to the Scrutinizer and any extraneous paper found in any Envelope would not be taken cognizance of and will be destroyed by the Scrutinizer.
9. There will be one Postal Ballot Form for every 'Registered Folio'/ 'Client ID', irrespective of the number of joint holders. A Member need not cast all his / her votes in the same manner.
10. A Shareholder may request a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer, not later than the date and time specified at item 8.
11. Shareholders are requested to fill the postal ballot form with indelible ink and not by any erasable writing mode.
12. The Scrutinizer's decision on the validity of the postal ballot form shall be final and binding.
13. The Company has appointed Mr. Brijesh Arora as the person responsible for the entire postal ballot voting process.
14. Though not mandatory, the postal ballot form along with the 'Postal Ballot Notice' and Explanatory Statement is being sent to Shareholders having registered address outside India. Since the Envelope is not valid for use from outside India, such Shareholders desiring to exercise their vote from outside India will have to arrange for postage from the country where

the Postal Ballot Form is dispatched.

15. The votes of a Shareholder will be considered invalid on any of the following grounds:
    - if the Shareholder's signature does not tally;
    - if the Shareholder has marked his/ her/ its vote both 'FOR' and also 'AGAINST' the 'Special Resolution' in such a manner that the aggregate Shares voted 'FOR' and 'AGAINST' exceeds total number of Shares held under Serial No. 4 of the Postal Ballot Form i.e. if the Form is improperly or incorrectly ticked;
    - if the Postal Ballot Form is unsigned, incomplete or incorrectly filled;
    - if the Postal Ballot Form is received torn or defaced or overwritten or mutilated such that it is difficult for the Scrutinizer to identify either, the Shareholder, or the number of votes, or as to whether the votes are 'FOR' or 'AGAINST', or if the signature could not be verified or one or more of the above grounds.
    - if the Postal Ballot Form is received torn or defaced or mutilated such that it is difficult for the Scrutinizer to identify either, the Shareholder, or the number of votes, or as to whether the votes are 'FOR' or 'AGAINST', or if the signature could not be verified or one or more of the above grounds.
16. In accordance with Clause 35B of the equity listing agreement entered into by the Company with BSE Limited and Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide electronic voting ("**e-voting**") as an option to its shareholders to enable them to cast their votes electronically instead of dispatching the Postal Ballot Form by post. The Company has engaged the services of CDSL to provide e-voting facilities to the shareholders of the Company. It may be noted that e-voting is optional. If a shareholder has voted through e-voting facility, he/she is not required to send the Postal Ballot Form. If a shareholder votes through e-voting facility as well as sends his vote through the Postal Ballot Form, then voting done through Postal Ballot Form shall prevail and voting done by e-voting will be treated as invalid by the Scrutinizer.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on December 22, 2014 at 9:00 am (IST) and ends on January 21, 2015 at 5:00 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of November 28, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Dematerialized Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant INSILCO LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.

evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(a) Other Instructions:

1. The voting period begins on December 22, 2014 at 9:00 am (IST) and ends on January 21, 2015 at 5:00 pm (IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of November 28, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on November 28, 2014.
3. Nityanand Singh & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
5. The result of voting by postal ballot will be announced at 04:00 p.m. IST on January 22, 2015 at the registered office of the Company. Additionally, the result will be posted on Company's website: http://www.insilcoindia.com, and will be communicated to BSE. The date of declaration of the result of the postal ballot voting process will be taken to be the date of passing of the special resolution.